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IN THE

Supreme Court of the United States.

OCTOBER TERM, A. D. 1918.

No. 1 [REDACTED] 11

NATIONAL BRAKE & ELECTRIC COMPANY,
Petitioner,

vs.

NIELS A. CHRISTENSEN AND ALLIS-CHALMERS
COMPANY,
Respondents.

BRIEF OF RESPONDENTS IN REPLY TO PETITION AND
BRIEF FOR WRIT OF CERTIORARI TO THE UNITED
STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH
CIRCUIT.

JOSEPH B. COTTON,
WILLET M. ROGERS,
LOUIS QUARLES,
WILLIAM E. HUMMAK,
*Solicitors and of Counsel
for Respondents.*



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STATEMENT OF FACTS

Petitioner asks relief from the refusal of the Circuit Court of Appeals for the Seventh Circuit to take jurisdiction of and grant an original motion made therein when no case or proceeding was or had been pending therein for

over three years. The suit to which the motion referred was for infringement of a contract of patent monopoly grant to respondent Christensen evidenced by two letters patent No. 621,324 and 635,280. They were identical as to specifications and claims except that the first was erroneously issued by the office with a fugitive sheet therein and to correct this the second was issued. The opinions and decree finding the patent grant valid both held that it was "academic" as to which patent evidenced the grant (R.p.11g & 12) and the decree itself for convenience referred to the second patent. (R.p.11p) The District Court later expressly held that it was not called upon to and did not decide between the two patents. (R.p.305) The question of the correctness of this decree in view of the existence of two patents evidencing one and the same grant was sought to be reviewed by this court in a petition for certiorari filed by the same petitioner which was denied February 21, 1916. (R.p.12m, 241 U.S. 659)

After the patent was upheld and while the accounting was proceeding another action was commenced by respondents against the Westinghouse Traction Brake Company as defendant in the District Court for the Western District of Pennsylvania. (They also at the same time commenced a like action against the General Electric Company the merits of which have never been determined and which accounts for its interest as *amicus curiae*.) The that particular defendant of the second patent only. The Court of Appeals of the Third Circuit decided on certiorari that as to that particular defendant the question of the relative validity of the two patents was material because of the limited claim of marking and notice as to it, and held that the first patent was valid and the second was void. (R.p.113,127) A separate decree was entered by the District Court at Pittsburgh on the second patent

alone (R.p.127), the case continued upon the first patent as to questions of anticipation, notice, etc. Subsequently through financial inability on the part of respondent Christensen to proceed (the other respondent being a mere nominal party), the respondents permitted the taking by petitioner of a judgment or an order dismissing the case for want of prosecution as to the first patent (R.p. 130,236) and this order was construed by the District Court of the Western District of Pennsylvania, the Circuit Court of Appeals of the Second Circuit, and the District Court for the Eastern District of Wisconsin, as being a mere dismissal and not involving or in any wise determining the merits of the action. (R.p. 256, 259, 295, 305.)

The opinion of the Court of Appeals does not attempt to analyze the two litigations as to privity, identity of subject-matter, finality or lack of finality of the decree entered in Pittsburgh, etc; but for the purpose of deciding the question of the status of the decree theretofore appealed from passes those questions without comment, merely stating that they "have stated the case only in that aspect." (R. p. 326). There is, however, one mistake in their statement of facts. Referring to the litigation in Pittsburgh they say: "That litigation resulted in a decree * * holding the patent invalid and dismissing the bill for want of equity." (R. p. 326). That is not the fact as will be shown more fully under Subdivision II *infra*; for the District Court at Pittsburgh and the Court of Appeals for the Third Circuit found and upheld a patent in respondent Christensen as a valid patent and held that it was evidenced by the first patent, and entered a judgment dismissing the bill as to the second patent only. The result was that the bill was not dismissed, the litigation was pending, and the Court of Appeals said:

"Only the first patent (621,324) was left, and as to this the bill was reinstated, the result being* * *the litigation on this patent was just where it was before the bill was dismissed in the preceding February." (R.P. 301).

The original motion made in the Court of Appeals of the Seventh Circuit was entitled in the original suit against the National Brake & Electric Co. pending before the District Court, and was predicated upon an alleged conflict between the aforesaid partial decree entered in Pittsburgh referring to the validity of the second patent only as evidence of the grant as against a particular defendant and the decree entered by the District Court at Milwaukee upholding the evidence in respondent Christensen to a patent (as did the Third Circuit), and finding infringement thereof. This motion not only asked that the Circuit Court of Appeals for the Seventh Circuit recall its mandate and direct the District Court to summarily dismiss the accounting proceedings in so far as they were based on the second patent *but also to forthwith and without a trial hold the first patent also void and enter a decree terminative of the entire proceedings in their favor.* This the Court of Appeals properly refused to do.

ARGUMENT

I.

THE CIRCUIT COURT OF APPEALS OF THE SEVENTH CIRCUIT WAS RIGHT IN HOLDING THAT THE DECREE OF THE DISTRICT COURT FOR THE EASTERN DISTRICT OF WISCONSIN OF AUGUST 21, 1914, FINDING INFRINGEMENT AND GRANTING A PERPETUAL INJUNCTION, AS AFFIRMED OCTOBER 5, 1915, WAS FINAL IN THIS LitIGATION.

The decision of the Circuit Court of Appeals of the Seventh Circuit under review here correctly states the law

as laid down by this and other courts. The opinion makes a careful and masterly distinction between form and substance, practice and essence. There has been a noticeable and growing tendency on the part of courts to get away from the old, technical, formal matters and to get down to the underlying basic substance of things. Originally the distinguishing feature of a final decree as against an interlocutory one was that it was enrolled. That distinction has long ago been departed from and under the Equity Rules no decrees are enrolled. Some courts, however, notwithstanding that change, continued to apply the distinction which had theretofore been based thereon, but the modern tendency has been clearly to the contrary, and to hold that a decree is either final or not final, dependent upon whether or not it in effect decides and determines the rights of the parties.

This is very clearly illustrated in entirely analogous cases by the holding in

Canal Co. v. Louisiana, 223 U.S. 371, 372,

where a decree that disposed of substantially all of the property and reserved a question of an accounting was held to be a final decree. That decree is entirely analogous with the decree in question here.

The Circuit Court of Appeals of the Fourth Circuit has held similarly in

Cedar Co. v. Peoples Bank, 111 Fed. 446 (C.C.A.
4th Cir.)

This court has recently been called upon to decide as to whether a decree granting a perpetual injunction and an accounting in a patent case was or was not final. The matter came up because of the statute regarding costs as applied to the circuit courts of appeal, and it was held in

Lovell-McConnell Co. v. Auto Supply Co. 235 U.S. 383, 388

that such a decree was final. To the same effect is a decision in the Sixth Circuit in

Smith v. Farbenfabriken, etc., 197 Fed. 894 (C. A. 6th Cir.) In
Marian Coal Co. v. Pralv., 201 Fed. 161, 163, etc.
 C.A. 3rd Cir.)

it was held that a decree settling the issues but providing for taking of additional testimony and an accounting by a master, while it was "in form rather interlocutory" yet in truth it was really "final." In

Merrano v. John Wanamaker, 250 Fed. 250 (C. A. 2nd Cir.)

a motion somewhat similar to the one in the case at bar was made but was denied because of lack of identity in the subject matter of the decree pleaded in bar with that of the case in which the motion was made. The court, however, held that a decree rendered in another action between privies holding the defendant guilty of infringement of a copyright and ordering an accounting was final and would operate as a bar when pleaded in another suit. The court said:

"The reason for the rule limiting the conclusiveness of interlocutory decrees does not apply; i.e., that the decree still remains in gremio, since the District Court has no longer any power to modify so much as has been affirmed by the Circuit Court of Appeals. For the purpose of this motion, we may assume that in so far as concerns the matters before the Circuit Court of Appeals, the issues have been finally and conclusively determined."

The Circuit Court of Appeals for the Seventh Circuit has continuous and consistently held that a decree sustaining a patent, finding infringement and granting a perpetual injunction is final. In

Standard Elevator Co. v. Crane Elevator Co. 76 Fed. 767 (C. C. A. 7th Cir.)

This doctrine was adhered to, and that notwithstanding that the decree referred the case to a master for an accounting for profits and reserved the question of costs. They said that as to such reserved questions it might possibly be interlocutory, but as to the merits adjudicated it was final. To the same effect is its decision in

Featherstone v. D. E. La Verne etc. Co. 80 Fed. 918, 920. (C. C. A. 7th Cir.)

Where as to a decree of the same sort it was held:

"The decree of Jan. 21, 1895, was a 'final' decree so far as concerns the ownership, validity and infringement of the patent."

The same result was reached and holding made in the Sixth Circuit in

Bissell Carpet Sweeper Co. v. Goshen Sweeper Co. 72 Fed. 545. (C. C. A. 6th Cir.)

the opinion being written by Judge Lurton (Judge Taft also sitting), in which he decided that after such a decree had been affirmed by the court of appeals it was final as to the ownership, validity, and infringement of the patent and the injunction thereon, and was not subject to further consideration by the court or attack by the parties.

There are a multitude of other analogous decisions holding that the essence of the decree must control, as to whether it is final or interlocutory, many of which are cited in the margin of the opinion of the Court of Appeals which appears in the supplement to the petition herein (p.38) (R. pp. 325, 330) in addition to which we beg leave to refer to the following cases:

Murphy v. McLoughlin, 247 Fed. 385-388 (C. C. A. 5th Cir.)

Forgay v. Conrad, 6 How. 269.

Thomas v. Dean, 7 Wall. 642.

McGourkey v. Toledo, etc., R. Co. 146 U.S. 526, 546.

II

THE DECREE OF AUGUST 21, 1914, WAS NOT PLEADED IN BAR OF ANOTHER SUIT, AND WHETHER IT DOES OR DOES NOT CONSTITUTE AN ESTOPPEL IN ANOTHER ACTION IS NOT MATERIAL TO THE CASE AT BAR. IT DOES HOWEVER SETTLE THE LAW OF THE CASE.

The decision of the Circuit Court of Appeals denying the petitioner's motion, was based upon the ground that the prior adjudication of that court that the patent was valid and infringed was "final." Counsel very cleverly seek to attack the decision of the court by claiming that the decree is not final in the sense that it can not, they say, be pleaded in bar of another action between the same parties or privies. No such holding was necessarily made in the case at bar. The decision may or may not have that effect. All that is involved in this litigation is the holding that in the same proceeding the Circuit Court of Appeals and the District Court were bound by their prior decisions as the law of the case, and this is settled law.

It is elementary that the rule of law of the case is but one phase of the rule of *res adjudicata* and that they are based on the same primal maxim *stare decisis et non quicquid mouere*.

The decision of the Circuit of Appeals in question here is based upon and is not in conflict with the decisions of this court. It follows exactly the holding of this court in

In re Potts, 166 U. S. 263, wherein it was said:

"The decision and decree of this court did not amount indeed, technically speaking, to a final judgment, because the matter of accounting remained to be disposed of. But they constituted an adjudication by this court of all questions, whether of law or fact, involved in the conclusion that the letters patent of the plaintiff were valid and had been infringed. The questions of novelty and infringement were before this

court, and disposed of by its decree, and must therefore be deemed to have been finally settled, and could not afterwards be reconsidered by the circuit court."

The decree of August 21, 1914, held that respondent Christensen had a patent, that it was valid, that it was infringed, and awarded a permanent injunction and an accounting. It disposed of all the issues in the case excepting only the purely collateral matter of accounting. That such matters are purely collateral is shown by decisions such as

Rout v. Railway Co., 165 U.S. 189 and

Tilghman v. Proctor, 125 U.S. 136.

A case entirely on all fours with the present case and which we submit is entirely decisive of all the questions here sought to be raised, is

Ellis v. Northern Pacific Railway Co., 80 Wis 129, affirmed by this court as

Northern Pacific Railway Co. v. Ellis, 144 U.S. 458.

In that case plaintiff brought an action to quiet title and was met with a demurrer. On appeal to the Supreme Court of Wisconsin a decision was rendered overruling the demurrer and the case was remanded for further proceedings. Thereupon plaintiff moved for leave to file a supplemental complaint and to plead a final judgment that had subsequently been obtained in the Federal Court for the Western District of Wisconsin which adjudicated the same questions between the said parties, and upon the matter again coming to the Supreme Court of Wisconsin for review it was held that the previous decision on demurrer settled the law of the case and that could not be changed or affected by pleading the other judgment in bar. A writ of error was thereupon sued out to this court

to review this decision and the decision was affirmed. Chief Justice Fuller, speaking for the court said:

"The judgment before us was rendered in accordance with well-settled principles of general law, no involving any Federal question, and did not deny to the decree of the Circuit Court the effect which would be accorded under similar circumstances to the judgments and decrees of the state court."

When a case has once been decided by an appellate court and remanded to the trial court that court must execute the decree of the appellate court according to the mandate; it cannot go behind the mandate in any way nor avoid the full effect and operation thereof, as that settles the law of the case and is final.

In re Sanford Fork & Tool Co., 160 U. S. 247, 255.
Mr. Justice Gray says:

"When a case has been once decided by this court on appeal, and remanded to the Circuit Court, whatever was before this court, and disposed of by its decree, is considered as finally settled. The Circuit Court is bound by the decree as the law of the case; and must carry it into execution, according to the mandate. That court cannot vary it, or examine it for any other purpose than execution; or give any other or further relief; or review it, even for apparent error, upon any matter decided on appeal; or intermeddle with it, further than to settle so much as has been remanded."

Other decisions to the same effect abound. There are three of them at least in the seventh circuit.

Standard Sewing Machine Co. v. Leslie, 118

Fed. 557. (C.C.A. 7th Cir.)

Supreme Lodge, etc., v. Lloyd, 107 Fed. 70. (C.C.A. 7th Cir.)

Cable v. United States Life Ins. Co. 111 Fed
19-23. (C.C.A. 7th Cir.)

Featherstone v. D. E. La Verne etc. Co., 80 Fed.
918, 920. (C. C. A. 7th Cir.)

The same rule is approved by this court in

Providence Rubber Co. v. Goodyear, 76 U. S. 788,
801.

"The rights of the parties are settled by the decree, and nothing remains but to ascertain the damages and adjudge their payment."

Res adjudicata is a form of estoppel. A judgment may be used to estop another from proving the contrary. The only time that it can be used as a bar to such proof is before such proof is offered, or at least before an adjudication has been had thereon. After a party has proved the facts bearing on his contention and obtained a final adjudication based on that contention it is an anomaly to say that it can be estopped from claiming the benefits of such adjudication. The time to prove an estoppel must be when the question is being investigated and adjudicated and not after that part of the contest has been concluded.

Even though the language of this decision is susceptible of meaning that this decree being final in substance could be pleaded in bar of another suit, no such question was before the Circuit Court of Appeals. No such question is before this court. All the Circuit Court of Appeals could and did decide was that it settled the law of this case. If an attempt is ever made to plead this decree in bar of another suit then will be the proper time to argue that proposition, at this time it is purely a moot question.

III.

THE CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT HAD NO JURISDICTION TO ENTERTAIN THE ORIGINAL MOTION OR PROCEEDING BROUGHT THEREIN.

At the threshold of the inquiry counsel was necessarily faced with the question of the jurisdiction of the Circuit Court of Appeals of the Seventh Circuit over their "original motion" or "original proceedings," as they variously termed it. They very naively state in their petition

"That no question of jurisdiction or of procedural practice arises in this matter as to the form or method of the application to the Circuit Court of Appeals in this case. The Circuit Court of Appeals took jurisdiction of the application * * * and decided the same as before set forth solely on the question of the final or interlocutory nature of the decree of the Wisconsin District Court," (Petition, p. 9)

and in their brief that the question of the finality of the decree of the District Court in Wisconsin of August 21, 1914

"is the sole question which the Circuit Court of Appeals *felt itself called on to decide in this proceeding.*"
 (Italics ours.)

(Brief p. 12). It is true that within certain limitations the rule of *quod non appareat non est* applies, but unfortunately that does not apply to questions of jurisdiction. Neither counsel nor the court can by shutting their eyes to the question deny its existence. This want of jurisdiction was duly raised by answer to the petition in the Court of Appeals. (R. Vol. 1, p. 12.)

It must be borne in mind that the decree of the District Court at Milwaukee was entered August 21, 1914, and affirmed by the Court of Appeals of the Seventh Circuit on

October 5, 1915, whereas the "application" or "motion" under consideration here was not made until August, 1918, which manifestly was long after the expiration of the term of the Court of Appeals.

The only proper procedure warranted by the authorities is a petition to the Circuit Court of Appeals for leave to make a motion in the trial court for the reopening of the decree and for leave to serve and file a supplemental answer in the case pending therein setting up *res adjudicata* as a plea in bar. The authority relied on by counsel for petitioner is clearly in support of the proposition just stated, i. e.,

In re Potts, 166 U.S. 263, 265, 267.

In that case this court reversed the district court for entertaining such a motion without prior leave of this court as contrary to its mandate, and then held that on request being made to it for leave to file the motion in the court below it would and did grant such leave. The history of the litigation is set out in

Potts v. Creager, 97 Fed. 78, 79. (C.C.A. 6th Cir.)

Such procedure is also in conformity with the directions of this court as contained in the 34th Equity Rule.

Exactly the same situation has been passed on by the Circuit Court of Appeals many times. See

Sundh Electric Co. v. Cutler-Hammer Mfg. Co.
224 Fed. 163, 170. (C.C.A. 2nd Cir.)

In that case there was a similar application to reopen and again the issue of validity foreclosed by the first appeal made in the Court of Appeals of the Second Circuit. That court said:

"This application is made a long time after the expiration of the term at which our decision in 204 Fed. 277 was rendered. It is therefore now beyond our power to recall the mandate. (citing cases) * * * It follows that in this court there is nothing to reopen, no pending cause in which the newly discovered evidence should be produced. There is such a cause in the District Court, and all that prevents application to the discretion of that court for leave to introduce said evidence is our mandate. * * * The District Court cannot upon the interlocutory decree affirmed by our mandate; but it can exercise its discretion and form its own judgment as to whether such reopening and taking of additional testimony should be permitted and if and when it requests leave so to do, we can grant such request. * * * This application may now be made in the lower court wherein in some shape it must always be made; for the motion to reopen is in effect an application for leave to file a supplemental bill in the nature of a bill of review."

See also

In re Gamewell, etc., Co. 73 Fed. 908, 914. (C.A. 1st Cir.)

In that case an application similar to the one in the case at bar was made. The court denied it and held they had mistaken their remedy, saying:

"We determine only that the petitioners may have permission to apply to the court below for leave to file their bill stated in the petition. * * *"

The Court of Appeals can and should pass on such questions as appear on the face of the petition, this would include "first, that of the materiality of the alleged new matter; and second, that of laches."

Rubber Co. v. Goodyear, 9 Wall, 805

All other questions are left to the decision of the District Court in which the suit is pending.

Similar motions have been denied in the following cases among others:

Firestone Co. v. Seiberling, 245 Fed. 938. (C.C.A. 6th Cir.)

Greene v. U. S., etc., Co. 124 Fed. 961. (C.C.A. 1st Cir.)

Boston, etc., Co. v. Bemis, 98 Fed. 121. (C.C.A. 1st Cir.)

Bank v. Taylor, 53 Fed. 854, 866. (C.C.A. 7th Cir.)

The Circuit Court of Appeals of the Seventh Circuit had no power to issue any writ of certiorari or mandamus on such an original application or motion. It is a purely statutory court and its power to issue high prerogative writs is limited to their use in aid of its appellate jurisdiction. It is an appellate tribunal solely and has no original jurisdiction and in that respect it differs from this court. The motion in the case at bar was not sought or pretended to be sought in aid of appellate jurisdiction and therefore the court had no right to grant the relief prayed for

Muir v. Chatfield, 255 Fed. 24. (C.C.A. 2nd Cir.)

Travis County v. King Iron Bridge, etc., Co. 92 Fed. 690, 693. (C.C.A. 5th Cir.)

Certiorari denied 174 U. S. 801.

In re Paquet, 114 Fed. 437. (C.C.A. 5th Cir.)

In re Garrosi, 229 Fed. 363. (C.C.A. 1st Cir.)

Hammond Lumber Co. v. U.S. District Cour
240 Fed. 924, 926, 927. (C.C.A. 9th Cir.)

United States v. Pearson, 32 Fed. 309.

Burnham v. Fields, 157 Fed. 246.

In re Forsyth, 78 Fed. 296, 301.

United States v. Nashville, 217 Fed. 254, 259.

IV.

THE CIRCUIT COURT OF APPEALS HAD NO POWER TO GRANT THE RELIEF SOUGHT BY PETITIONER'S MOTION.

The petitioner's motion went a great deal further than its statement of it in the petition here would lead one to believe. They did not ask leave to file a supplemental answer in the court below, nor did they limit themselves to asking that the court recall its mandate and the case be dismissed as to the second patent, which confessedly was the only one that was passed upon by the Court of Appeals of the Third Circuit, but they went much further and asked that the court summarily dismiss the entire accounting proceedings, which was sustainable on the first patent equally with the second. Their motion appears in the record Vol. 1, pages 1 to 7, and sets up the existence of some of the facts surrounding the issue of both patents (paragraph 10 thereof, record pp. 4 and 5) and asks that the action be dismissed upon both patents. (R.p. 6) It is true they allege that the validity of the second patent only had been passed upon by the District Court in Wisconsin, but that is contrary to the undisputed record. See opinions of the District Court pp. 11g, 11j, 12, 12e and 303. The Circuit Court of Appeals of the Seventh Circuit expressly said:

"It is of no moment which of the two patents be held to be in force. The surrender for cancellation of the one was conditioned upon the grant of a valid legal substitute. If the Commissioner of Patents was without authority to issue the second, then, in our judgment, his action in cancelling the first must be deemed legally ineffective. We agree, however, with the learned trial judge that while Christensen's procedure did not aim at a reissue, the situation is identical with that presented on an application for reissue and that without formal application, the later patent

might have been designated as a reissue. This is a case of pure clerical error, not of double patenting. While two documents have been issued, there is but a single grant of one and the same right to the same person."

(Certiorari denied 241 U.S. 659)

It is to be borne in mind that no disposition was ever made by the Circuit Court of Appeals of the Third Circuit, of the bill. The Court of Appeals of the Seventh Circuit is in error in its opinion when it says in referring to the litigation in Pennsylvania

"That litigation resulted in a decree, entered in 1917 pursuant to the mandate of the Circuit Court of Appeals for the Third Circuit, holding the patent invalid and dismissing the bill for want of equity."

(Petition and brief p. 34, R. p. 326)

At the outset it is to be noted that the Court of Appeals in its decision did not attempt to go into the question of the identity of the issues in the two litigations but that

"respondents dispute petitioner's contention as to the identity of subject matter and parties in the two decrees. But at the threshold lies the question of the nature and effect of the Wisconsin decree, affirmed by this court, and we have stated the case only in that aspect." (R.p. 326).

i.e., the Court of Appeals has for the purpose of its decision and of testing the finality of the decree taken petitioner's statements at their face value for the purposes of the argument only.

A mere inspection of the record will make it clear that the litigation in Pennsylvania resulted in two decrees the first, and the one that is sought to be interposed as a bar, read "that the bill be and hereby is dismissed as to said patent No. 635,280 with costs to defendant" (R.p. 127) That was entered pursuant to the mandate of the Circuit Court of Appeals of the Third Circuit which

provided that the original decree of dismissal

"is hereby reversed with costs so far, and so far only as it effects patents No. 621,324 issued March 21, 1898, and No. 635,280 issued October 17, 1899, and the bill reinstated for further proceedings in conformity with the opinion of this court," (R.p. 126)

Inasmuch as patent No. 621,324 was the only patent left in the record the action was left pending thereon. This the Circuit Court of Appeals of the Third Circuit conceded, saying:

"Only the first patent (621,324) was left, and as to this the bill was reinstated, the result being, that (excepting for our decision) the litigation on the patent was just where it was before the bill was dismissed in the preceding February." (R.p. 301).

It is very apparent even from this brief analysis of the litigation in the Third Circuit that neither the District Court nor the Court of Appeals there passed upon the issues tendered by the bill in the Seventh Circuit and then decided and adjudicated. That court did hold that respondent Christensen had a patent, that it was evidenced by the first patent (No. 621,324), and that his grant of patent monopoly right was valid and subsisting. It was to that extent entirely in harmony with the decision in the Seventh Circuit, which latter court had held that either the first or the second patent evidenced the patent and it was "academic" which constituted the evidence thereof. There was thus absolute harmony between the two circuits and no conflicting adjudication in the Third. An elaborate and careful analysis of the two litigations was made by Judge Geiger in the District Court in Wisconsin and formed one of the bases for his denying the petitioner's application when originally made to him on a motion to dismiss. We refer the Court to his analysis of the Third Circuit litigation and the inconclusiveness of the results therein arrived at. (R.p. 318 & 305-317).

In view of this situation the Circuit Court of Appeals was manifestly without power, on a mere motion to terminate the entire litigation which was pending upon both patents and sustainable on either.

V.

THE ENTERTAINING OR REFUSING BY EITHER THE CIRCUIT COURT OF APPEALS OF THE SEVENTH CIRCUIT OR THE DISTRICT COURT OF THE EASTERN DISTRICT OF WISCONSIN OF LEAVE TO PETITIONER TO MAKE AN APPLICATION IN THE NATURE OF A BILL OF REVIEW WAS PURELY DISCRETIONARY AND THEREFORE WILL NOT BE REVIEWED BY THIS COURT.

That both the Court of Appeals and the District Court must first pass upon this question of granting leave to file the bill of review before going into the merits thereof is we submit clearly supported by the authorities heretofore stated. That each of these applications is addressed to the discretion of the two tribunals is equally clear and equally well supported by the authorities. It therefore follows that neither court having exercised its discretion in favor of the petition or having based its refusal on anything which would constitute or has been claimed to constitute an abuse of discretion, this court will not interfere therewith or review the determination of the courts below. More than that, both courts have indicated that they would not entertain a petition or grant leave to the petitioner to open up and relitigate the issues heretofore decided and settled, and in view of the extreme amount of lapse of time, between four and five years, during all of which time an accounting proceeding had been pending, and petitioner put to time, trouble, and expense therein, it would seem necessarily to follow that the intervening rights of

respondents were such as to at this late date preclude petitioner from making an application which would appeal to the discretion of either of those courts or to this court.

VI.

THE JUDGMENT OF THE DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA ATTEMPTED TO BE SET UP AS A BAR DOES NOT DISPOSE OF THE ISSUES IN THIS CASE, AND NEITHER THE DISTRICT COURT OF WISCONSIN NOR THE COURT OF APPEALS OF THE SEVENTH CIRCUIT HAVE HELD THAT THERE WAS ANY PRIVITY BETWEEN THE PARTIES, THAT THERE WAS AN IDENTITY OF ISSUES, OR THAT THERE WAS ANY CONFLICT BETWEEN THE DECISIONS OF THE COURTS OF APPEAL OF THE THIRD AND SEVENTH CIRCUITS; IN FACT THEY HAVE HELD THE CONTRARY.

The case pending before the District Court for the Eastern District of Wisconsin is predicated upon a grant of patent monopoly right evidenced by both or either of two patents numbered respectively 621,324 and 635,280, and referred to herein as the first and second patents respectively. As we have shown *supra* herein, the District Court and the Court of Appeals of the Seventh Circuit held that it was immaterial which of these patents evidenced the grant. They were identical as to specifications and claims and either or both of them evidenced plaintiff's right in his invention and would support the bill. This contention this court has refused to review on certiorari. (R.p. 12m. 241 U.S. 659)

The Circuit Court of Appeals of the Third Circuit came to the same conclusion and in its opinion it said:

"We think it clear that the question now presented was not directly decided in the Seventh Circuit. As the suit there was begun in December, 1906, when both patents were only between 7 and 8 years old,

the question which patent was in force was "academic." One or the other was valid, and as the invention was identical the infringer was not harmed by being enjoined under one rather than the other. In point of fact the injunction was under the second patent, and this is the decree that was affirmed, although the opinion of the Court of Appeals may be thought to lean toward the view that the first patent continued to be in force, and that the second patent had been erroneously granted." (R.p. 120)

This should effectually dispose of the question of any conflict between the two Circuit Courts of Appeal, each court having said that no such conflict exists.

The question presented in the litigation in Pennsylvania arose because that particular defendant, Westinghouse Traction Brake Company, was not charged in the bill with knowledge or notice of the first patent, nor was it claimed that there was any marking thereunder as to it, but it was charged with notice of the second patent only. The bill was filed very shortly before the patents expired and the answer was put in after both patents had ceased to exist. The question thus was solely one of accounting. Proof of marking or notice was necessary on behalf of plaintiffs to support a recovery as against that defendant. This they there alleged as to one patent only, i. e., the second. In view of that situation the Court of Appeals for the Third Circuit held that the question was material as to that defendant as to which of the patents was valid and said:

"We are therefore required now to decide between the two, *** and in our opinion the decision should be in favor of the first patent." (R.p. 120)

In view of this situation we submit that it is clear that the decision of the Court of Appeals of the Third Circuit holding the first patent valid and the second patent void as evidence of the grant is not terminative of any of the issues in the instant case and certainly not of all the issues.

As to the first patent the litigation proceeded in Pittsburgh and finally ended because of the poverty of respondent Christensen (the other respondent being a mere nominal party) in an order dismissing the bill for want of prosecution. The cases are clear that such a dismissal is not a decree on the merits which will operate as a bar anywhere and therefore this branch of the litigation has never been terminated finally in the Third Circuit.

Colorado Eastern Ry. Co. v. Union Pacific Ry. Co., 94 Fed. 312, 313.

Whitaker v. Davis, 91 Fed. 721.

Brown v. Fletcher, 182 Fed. 963, 980. (C.C.A. 6th Cir.)

United States, etc., Co. v. Bradley, 143 Fed. 523, 530, 531.

That situation is reinforced in the case at bar because petitioner attempted later to obtain a judgment on the merits as to the first patent and failed therein, the court giving the reasons for such refusal.

"That decree is not in conformity with the facts, inasmuch as it states that as to patents 621,324 and 635,280 the bill of complaint is dismissed on the merits. The merits of the controversy were not considered by the court." (R.p. 257, 258.)

This was affirmed by the Court of Appeals of the Third Circuit. (R.p. 300.)

It has been held by this court that the refusal of a court to consider a decree of *non pross.* as a bar was not a question of such import as would cause this court to take jurisdiction on certiorari.

In re Woods, 113 U.S. 202, 206.

There can be no question in the case at bar as to marking and notice under either the first or second patents. The accounting has been completed before the Master, who has filed his opinion and all but completed the computa-

tions of figures. The record shows that the petitioner had prior to the commencement of the action a license from respondent Christensen under both the first and second patents (R.p. 218, 224. See history thereof R.p. 214,) that it ceased operating therunder, slightly changed the form of the device in an attempt to avoid the language of the claims, and commenced infringing. As to the change in the device the Court of Appeals said: (R.p. 12g)

"We can see in defendant's structure, merely an attempt to evade complainant's patent, by first dividing the one sheet of metal into two parts without any reason therefor. * * * "

As to the action of the petitioner in terminating the license agreement and commencing infringement, that was passed upon the Master, who criticised it thus:

"It is sufficient to say that the evidence in this case clearly shows that the defendant, after terminating the license agreement with plaintiff Christensen, immediately commenced the manufacture and sale of infringing compressors, and continued such manufacture and sale for nearly ten years and until the expiration of the patent, notwithstanding a prompt commencement of this action, and notice to it of the plaintiff's claims. This infringement may fairly be called wanton and deliberate." (Italics ours.) (R.p. 214)

In addition we also respectfully suggest that the questions of identity of issues, decree of privity of parties, of laches in the making of the motion by petitioner, of intervening rights, etc., are all questions of fact which have not been passed upon by either the District Court or the Circuit Court of Appeals, and that this court should not be expected to take jurisdiction and to pass upon them originally.

VII.

CONCLUSION

Respondents respectfully submit that the petition states but a very partial view of the facts, that the Circuit Court of Appeals for the Seventh Circuit properly held that the decree in the District Court after its affirmance settled all of the issues between the parties excepting a mere accounting was therefore terminative of the merits of the litigation and final, and that such a decree became the law of the case. It is beside the question for petitioner to argue as to the effect of such a decree if pleaded in bar in another action, as that has not been here attempted. If we should plead this decree in bar of another action, the question whether it is or is not *res adjudicata* might then be raised in the *other* case, but not in *this*. It has not and cannot be shown that the result of the litigation in Pittsburgh was to decide the issues involved in the present action, nor was that action ever terminated on the merits but was dismissed for want of prosecution merely. Neither has there been or can there be shown to be any conflict between the holdings of the two Circuit Courts of Appeal, each has found the existence of a valid patent in respondent Christensen identical as to specifications and claims and sustained a bill of complaint based thereon.

The Circuit Court of Appeals for the Seventh Circuit had no power to recall its mandate, to reverse itself, or issue writs of certiorari or mandamus to the court below as they were not sought for any aid of its appellate jurisdiction. The petitioner was caught red-handed in infringing a patent of—which the Master found it had ample notice,—by terminating its license, colorably changing the devices, and wilfully infringing, and the case is entirely within the letter and spirit of the decision of this court.

as to the function of writs of certiorari in which it is said:

"We are not disposed to open the way to defendant to raise technical questions to embarrass the progress and delay the final ending of this action."

Greene County v. Thomas' Executor, 211 U.S. 598.

Respondents have been forced to constant litigation in the instant case since December, 1906, and even though the merits of their patent were decided in August, 1914, petitioner has kept them out of their money with the necessary irretrievable loss of interest.

It is respectfully submitted that the application should be denied.

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